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2 RESOLUTION 85-25
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4 RESOLUTION OF THE BOARD OF DIRECTORS
5 OF THE CALIFORNIA HOUSING FINANCE AGENCY
6 APPROVING THE SCHEDULE OF INSURANCE PREMIUMS
7 TO BE CHARGED FOR MORTGAGE LOAN INSURANCE UNDER
8 THE CAL-FIRST HOME BUYERS' PROGRAM

9 WHEREAS, pursuant to the Zenovich-Moscone-Chacon Housing
10 and Home Finance Act (the "Act") the California Housing Finance
11 Agency (the "Agency") has the authority to insure its own loans
12 for residential structures which will be occupied primarily by
13 persons and families of low or moderate income;

14 WHEREAS, the Cal-First Home Buyers' Program (the
15 "Program") is an Agency program through which the Agency assists
16 first-time homebuyers in purchasing residential structures by
17 providing assistance payments to buy down the interest rates on
18 privately-financed first mortgages and is repaid by the
19 homebuyers through payments made on a second mortgage in the
20 Agency's name;

21 WHEREAS, it has been determined that the Program
22 primarily assists persons and families of low or moderate income;

23 WHEREAS, the Board of Directors of the Agency (the
24 "Board") has determined that a program of Agency insurance for
25 Program second mortgages may be necessary in order to allow for
26 the collection of premiums from homebuyers prior to obtaining a
27 new private mortgage insurer for the Program;

28 WHEREAS, pursuant to Section 51855 of the Act, the Board
29 has held a public hearing with regard to a schedule of premiums
30 to be charged for such mortgage loan insurance;

31 NOW, THEREFORE, BE IT RESOLVED, by the Board of
32 Directors of the California Housing Finance Agency as follows:

33 Section 1. The Agency, after due consideration
34 following a public hearing held pursuant to the Act, is of the
35 opinion and hereby determines that the following schedule of
36 premiums for mortgage loan insurance for second mortgages
37 originated on behalf of the Agency for the Program is adequate to
38 defray losses which may be occasioned by defaults of insured
39 loans and to pay operating expenses of the Program, and the
40 Agency hereby adopts such schedule:

Single Premium Plan - A single premium no higher than one percent (1%) of the original principal amount of the homebuyer's first mortgage loan, due and payable at loan closing.


(OR)

Annual Premium Plan - Annual premiums no higher than 0.2 percent of the original principal amount of the homebuyer's first mortgage loan, due and payable at loan closing for the first year and due and payable through monthly impounds on each anniversary of the loan closing.

Section 2. The officers of the Agency are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to implement this schedule of premiums.

I hereby certify that this is a true and correct copy of Resolution 85-25 adopted at a duly constituted meeting of the Board of Directors of the California Housing Finance Agency held on May 9, 1985.

ATTEST:


Secretary